



# **REGISTRATION SERVICE PROGRAM HANDBOOK**

# APPLICATION REQUIREMENTS FOR REGISTRATION SERVICE LICENSE

## PURPOSE

The purpose of this pamphlet is to assist the prospective registration service of the requirements to obtain a registration service license from the Department of Motor Vehicles (DMV).

## WHAT IS A REGISTRATION SERVICE?

A “registration service” is a person engaged in the business of processing for the public applications for registration, transfer of ownership, registration renewals, conducting lien sales, and processing dismantler documents.

*California Vehicle Code (CVC) § 505.2 and 11400 et seq., and California Code of Regulations (CCR), Title 13, § 330.00 et seq.*

## BACKGROUND INVESTIGATION

A background investigation is conducted on all applicants. Failure to disclose convictions or providing incorrect information on the application may result in the refusal or denial of your license. The department may refuse to issue a license to any applicant who has been convicted of a crime or committed any act or engaged in any conduct involving moral turpitude which is substantially related to the qualifications or duties of the licensed activity. A conviction based on plea of nolo contendere is a conviction within the meaning of this section. Persons previously working under a license issued by DMV, which was revoked or suspended for cause may also be denied a license. *CVC § 11405*. In addition, the California Code of Regulations and other sections of the California Vehicle Code provides guidelines used by the department in determining whether a license should be issued. *CCR, Title 13, Chapter 1*.

## REQUIREMENTS FOR A REGISTRATION SERVICE LICENSE

*CVC § 11400 et seq. and CCR, Title 13, § 330.00 et seq.*

Every applicant for a registration service’s license **must**:

- File an application with the department. *CVC § 11401 et seq. and CCR, Title 13, § 330.00 et. seq.*
- Pay all required fees. *CVC § 11409 et seq.*
- Provide proof of surety bond (\$5,000 bond executed). *CVC § 11402 et seq., CCR § 330.08.*
- Execute and file with the department an instrument designating the director as agent of the applicant for service of process. *CVC § 11403 et seq.*

## REGISTRATION SERVICE EXCLUSIONS

The term “registration service” does **not** include any of the following:

- A person performing registration services on a vehicle acquired by that person for his or her own personal use or for use in the regular course of that person’s business.
- A person who solicits applications for or sells, for compensation, nonresident permits for the operation of vehicles within this state.
- An employee of one or more dealers or dismantlers, or a combination thereof, who performs registration services for vehicles acquired by, consigned to, or sold by the employing dealers or dismantlers.
- A motor club, as defined in Section 12142 of the Insurance Code.
- A person who performs registration services exclusively for vehicles registered pursuant to Article 9.5 (commencing with Section 5301) of Chapter 1 of Division 3 or Article 4 (commencing with Section 8050) of Chapter 4 of Division 3.
- A common carrier acting in the regular course of its business in transmitting applications.  
*CVC Section 505.2.*

## **REGISTRATION SERVICE'S LICENSING FEES**

The fees to become a licensed registration service are:

- \$150 Non-refundable application fee
- \$ 1 For Family Support Program
- \$ 70 For each branch location (if any)

The Family Support Program fee is paid on original, renewal, and reinstatement applications.

## **REGISTRATION SERVICE'S LICENSE FORMS**

An application for a registration service license consists of the following forms:

- **OL 601**, Application for an Occupational License
- **OL 29**, Personal History Questionnaire, Part B
- **OL 602**, Certificate of Appointment
- **OL 602A**, Certificate of Appointment
- **OL 605**, Surety Bond
- **OL 606**, Inspector Check List / Report of Registration Service
- **OL 607**, Field Office Service Questionnaire
- Live Scan Fingerprint Receipt

## **REGISTRATION SERVICE RENEWAL FEES**

The fees to renew a registration service license are:

- \$ 1 For Family Support Program
- \$ 15 Renewal application fee
- \$ 70 Renewal of branch location (each location)

The Family Support Program fee is paid on original, renewal, and reinstatement applications.

## **FEES TO CHANGE A REGISTRATION SERVICE LICENSE**

The fees to change a registration service license are:

- \$ 70 Name change
- \$ 70 Address change

## **FORMS TO CHANGE A REGISTRATION SERVICE LICENSE**

Form(s) to change your existing registration service license:

- **OL 600**, Application for Modifications to an Occupational License for Registration Service

## **ADDITIONAL ITEMS**

The following items are also needed as part of the application package. After you have arranged an appointment with an Occupational Licensing Inspector he or she will conduct the following inspections to ensure your registration service meets the requirements:

- “Established Place of Business” Inspection
  - ♦ The business location where the books and records pertinent to the type of business are kept designated at the principal place of business by the holder of the applicant for a registration service license.  
*CCR, Title 13, § 330.00 (d) and 330.48 et seq., and 330.50 et seq., and CVC § 320 (c), 1670, 11406 et seq. and 11407 et seq.*
- “Sign” Inspection
  - ♦ Sign or device shall provide information relating to the licensed entity by its exact firm name as shown in departmental records at the registration service's place of business.

- ♦ Sign must be displayed on the office door, building directory, when there is such a directory, and at the principal place of business or any branch office receiving clients which is located in a building housing more than one business. *CCR § 330.24 et seq.*
- “Zoning” Inspection
  - ♦ Business location shall be zoned for the type of business you wish to conduct.
  - ♦ Contact your local or city zoning office to determine if the location is zoned for a registration service business.
  - ♦ If applying for a license to conduct business from your residence, you must obtain a home occupation business license from your local city or county business license office.
- Business Records Inspection
  - ♦ Business Records shall include all of the following information:
    - ♦ Name, address and license number of registration service
    - ♦ Name and address of every employee who performs registration work
    - ♦ Name and address of each client for whom registration work was performed
    - ♦ Identity of every vehicle by year, make, type, license number, and vehicle identification number on which registration work was performed
    - ♦ Amount of registration fees or payments collected for each vehicle on which registration work was performed, including the method of payment to the registration service
    - ♦ Amount of registration fees or payments submitted to the department for each vehicle on which registration work was performed, including the date and method of payment of the refund or additional charge by or to the client, the registration service, or the department
    - ♦ Amount of any refunds or additional charges on registration fees or payments collected for each vehicle on which registration work was performed, including the date and method of payment of the refunds or additional charge by or to the client, the registration service, or the department.
    - ♦ Name, signature, or initials of each employee performing work on each transaction and the date the work was done
    - ♦ Cost to each client for the registration work performed on each of the client’s vehicles
- In lieu of above information, a registration service may retain a copy of the listing sheet approved by the department for transmitting registration documents to the department.

### **OL 601, Application for Original Occupational Licensing for Registration Services**

Following is an explanation of terms and instructions to aid you in filling out the OL 601 form.

*Business name:* Full business name under which the firm will be doing business.

*Applicants Name:* Applicants true full name; last, first, middle.

Check the appropriate box:

- ☐ Sole Owner
- ☐ Partnership
- ☐ Corporation
- ☐ Limited Liability company

*Ownership:* List the full name and title of each individual, partner, or corporate officer/director, stockholder participating in the direction, control, and management of the policy of the business.

Complete section I, II, III depending on whether the firm ownership is an individual, partner, corporation, or Limited Liability Company.

*Business Address(es):* Current address, number and street, city, zip, and telephone number for the main office and any branch offices. This may **not** be a post office box.

*Property Information:* Property owners true name, address, and telephone number for main location and any branch location.

*Business Hours:* Fill out appropriate box on zoning. List normal days and hours.

List all persons employed or otherwise engaged by the registration service to perform registration work. If additional employees, please attach list.

*Signature:* Date, signature, and title.

### **Instructions for completing the OL 29, Personal Health Questionnaire, Part B**

The following individuals are required to complete personal history questionnaires: 1) sole owners, 2) all partners, and 3) all individuals who have management, direction, and control of the business.

1. Fill out your name – Last, First, Middle.
2. Fill out your residence address.
3. Fill out your business phone number.
4. Fill out your residence phone number.
5. Enter your social security number.
6. Fill out your physical description (sex, color of hair, color of eyes, height, weight and birth date).
7. Answer the question, “Do you hold a valid California Driver License?”
8. List driver license number.
9. Answer the questions, “Have you ever been known by or used any name other than the name appearing on this questionnaire? Include the different ways you sign your name. For example:

Robert Joseph Smith  
Robert J. Smith  
Robert Smith  
Bob Smith

10. List your employment for the last three (3) years.
11. List your education (high school, college or university). Note: this is only for driving school instructor and traffic violator school instructors.
12. Are you presently or have you ever been an occupational licensee (dealer, salesperson, vehicle verifier, etc.? If you have, list your number. If you don’t know your number, indicate so.
13. This question relates to any discipline on a current or former license as well as any license applied for, denied, refused, or placed on probation.
14. This question relates to any occupational license issued by another state, and that license was revoked or suspended for cause and was never reissued or was suspended for cause and the terms of the suspension have not been fulfilled.
15. Indicate civil judgements rendered against you.
16. Indicate civil judgements rendered against you as a partner, corporate officer, and/or stockholder.
17. Have you ever declared bankruptcy as an individual, partner, or corporate officer/director/stockholder?
18. Have you ever been convicted or released from incarceration (jail or prison) for any crime, (misdemeanor or felony) in which you appeared in court, went to jail or prison, were placed on probation or fined, within the last ten (10) years? Do not list traffic offenses.

- a) Include any conviction where you were pardoned, pled nolo contendere, or where the conviction was expunged, dismissed, set aside or removed from the record under Penal Code Section 1203.4.
- b) **NOTE: A background investigation is conducted on all applicant. Failure to disclose any/all convictions may result in the refusal, denial, or revocation of your license.**

19. List all convictions.

- a) Initial the Importance Notice box where indicted, after reading.
- b) Sign and date this application.

### **OL 65, Surety Bond of Registration Services**

Before your application can be accepted and processed, you must obtain/submit one of the following:

- A Registration Services Surety Bond in the amount of \$5,000 issued by an insurance company (OL 605)
- \$5,000 cash (OL 94, OL 65)
- \$5,000 in a passbook or passcard account (OL 64/65)
- \$5,000 certificate of deposit (OL 65)

**Notice: The Department would like to bring to your attention Vehicle Code Section 11402e which requires the Department to hold the cash bond, passbook, or certificate of deposit three (3) years after the registration service goes out of business.**

If you obtain a surety bond, it must be completed as follows:

- Sole owner
  - ♦ Individual name and DBA firm name
- Partnerships
  - ♦ Names of all partners and DBA firm name
- Corporations
  - ♦ Corporate name and **all** DBA names

### **CERTIFICATE OF APPOINTMENT**

The certificate of appointment must agree with the wording on form OL 62.

### **FINGERPRINTS**

Every person applying for an occupational license must submit a copy of their Live Scan Fingerprint Clearance. This is unnecessary if you are currently licensed by the Department.

**NOTE:** Further information about Live Scan can be found in the frequently asked questions below.

**WHEN YOUR APPLICATION IS COMPLETE** take it to your local Inspectors office. An Inspector will review your application, make an appointment to inspect premises, collect the required fees, and advise you when your application will be processed. If your application is incomplete it will be returned to you by mail.

### **REGISTRATION SERVICE LICENSE - FREQUENTLY ASKED QUESTIONS**

Listed below are the most frequently asked questions. This list is not all inclusive nor is it intended to be. If you have any questions, please contact your local Inspector or call (916) 657-6530.

#### **Where can I obtain application forms?**

All forms and application packages can be ordered by calling (916) 657-6530 or printed or downloaded from the internet. Further licensing information is contained in the application package.

**How long will it take for the department to process my application?**

The average time for processing an application may be up to 120 days to allow the Department time for investigation and processing of the license.

**Does the department issue temporary permits?**

Pending the satisfaction of the department that the applicant has met the requirements for the license, the department may issue a temporary permit for a period not to exceed 120 days while it completes its investigation and determination of all facts relative to the qualifications of the applicant for the license.

*CVC Section 11404 (b).*

**Where do I file my application?**

Application packages for registration services are submitted to an Inspector Office in your area.

**Where do I call if I have questions?**

If you have general licensing questions you may call (916) 657-6530.

**What is the license renewal period?**

The registration service's license is renewed annually, based on the month the original license was issued. Renewals should be made before the expiration of the license. If you do not renew your license before it expires, you may renew your license within thirty (30) days following the expiration date by paying the annual renewal fee and a penalty equal to 100 percent of the original application fee. Renewals will not be accepted for licenses that have been expired for more than 30 days.

**How do I renew my license?**

About 45 days before the expiration of your license you should receive a courtesy notice for renewal. After you complete the courtesy notice, you will need to mail your renewal form and fees to:

Department of Motor Vehicles  
Occupational Licensing Branch  
P.O. Box 932342 N224  
Sacramento, CA 94232-3420

If you do not receive a courtesy notice please call (916) 657-6530.

**Are there exclusions for a registration service license?**

Yes. The exclusions for a Registration Service License are explained in CVC Section 505.2.

**What is live scan fingerprinting?**

Live Scan is inkless electronic fingerprinting. The fingerprints are electronically transmitted to the Department of Justice (DOJ) for completion of a criminal record check.

**Who is affected by it?**

Anyone applying for the first time to be licensed as a vehicle salesperson, dealer, driving instructor, registration service, or any other vehicle industry related occupation licensed by DMV will be live scan fingerprinted. It also applies to first time applicants for an ambulance driver certificate.

**Why "Live Scan" fingerprinting?**

As a result of legislation in late 1997, DOJ has developed an automated background check process that requires digitized fingerprints ("Live Scan"). Beginning January 1, 2000, DOJ has asked that fingerprints be submitted by Live Scan rather than hard copy fingerprint cards. Digitizing the fingerprints enables the electronic transfer of the fingerprint image data along with personal descriptor information to computers at the DOJ in a matter of

seconds, instead of the days required to send hard copy fingerprint cards through the mail. DOJ's goal is to process 95% of the digitized fingerprints within 3 days.

#### **When does it start?**

Live scan fingerprinting for DMV applicants will start January 1, 2000.

#### **What is the cost to be live scan fingerprinted?**

The live scan fingerprinting service fee varies from about \$5 to \$20. The cost to electronically fingerprint the applicant is determined by the local live scan agency. According to DOJ, they can charge a fee sufficient to recover their costs. The \$32 DOJ criminal record check fee is also collected at the live scan site.

#### **What will the applicant need to do to be live scan fingerprinted?**

The applicant can call the local police or sheriff's department to find their local Live Scan sites that are open to the general public. The applicant can also call the department's Occupational Licensing offices in Sacramento (916) 657-6621 or Los Angeles (213) 744-7563 and be mailed the department's live scan request form. A sample of the department's live scan form can be found on the Internet. If the licensee does not use the department's live scan form, it is suggested that he/she take a sample of the form with them to ensure the live scan has all the information needed for transmitting the data to Occupational Licensing.

***Note: the applicant must go to a Live Scan site to be Live Scan fingerprinted BEFORE applying for an occupational license at DMV. If you have held an Occupational License issued by DMV in the past 3 years, you may not require a new set of prints.***

#### **Where are the live scan sites?**

There are more than 130 live scan sites throughout the state. A current list of DOJ's Live Scan stations is available through DOJ's internet web page. The internet address is:

<http://caag.state.ca.us/app/contact.pdf>

Or, you may call your local police or sheriff's department for the nearest Live Scan station that is available to the general public.

#### **What are the benefits of Live Scan?**

Live Scan will avoid many of the problems associated with ink prints, such as smudging, smearing, and over or under inking. A major benefit of Live Scan is in processing speed since nearly all of those without criminal records are done within 3 days. Rolled ink prints (traditionally submitted on a fingerprint card) can take 10 to 12 days to process and up to 60 days if there is a criminal record.

#### **REGISTRATION SERVICE LICENSING AUTHORITY**

**California Vehicle Code.** Sections 320 (c), 505.2, and 11400 et al. The California Vehicle Code is available for purchase from the Department of Motor Vehicles.

#### *Established Place of Business*

320. "Established place of business" is a place actually occupied either continuously or at regular periods by any of the following:

- (a) A dealer, remanufacturer, remanufacturer branch, manufacturer, manufacturer branch, distributor, distributor branch, automobile driving school, or traffic violator school where the books and records pertinent to the type of business being conducted are kept.
- (b) An automobile dismantler where the books and records pertinent to the type of business being conducted are kept. A place of business of an automobile dismantler which qualified as an "established place of business" before September 17, 1970, is an "established place of business" as defined in this section.



- (c) A registration service where the books and records pertinent to the type of business being conducted are kept.

*Amended Ch. 1243, Stats. 1992. Effective September 30, 1992.*

### *Registration Service*

505.2. (a) A “registration service” is a person engaged in the business of soliciting or receiving any application for the registration, renewal of registration, or transfer of registration or ownership, of any vehicle of a type subject to registration under this code, or of transmitting or presenting any of those documents to the department, when any compensation is solicited or received for the service. “Registration service” includes, but is not limited to, a person who, for compensation, processes registration documents, conducts lien sales, or processes vehicle dismantling documents.

(b) “Registration service” does not include any of the following:

- (1) A person performing registration services on a vehicle acquired by that person for his or her own personal use or for use in the regular course of that person’s business.
- (2) A person who solicits applications for or sells, for compensation, nonresident permits for the operation of vehicles within this state.
- (3) An employee of one or more dealers or dismantlers, or a combination thereof, who performs registration services for vehicles acquired by, consigned to, or sold by the employing dealers or dismantlers.
- (4) A motor club, as defined in Section 12142 of the Insurance Code.
- (5) A person who performs registration services exclusively for vehicles registered pursuant to Article 9.5 (commencing with Section 5301) of Chapter 1 of Division 3 or Article 4 (commencing with Section 8050) of Chapter 4 of Division 3.
- (6) A common carrier acting in the regular course of its business in transmitting applications.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

*Amended Ch. 1243, Stats. 1992. Effective September 30, 1992.*

*Amended Sec. 2, Ch. 1155, Stats. 1996. Effective January 1, 1997.*

### *License or Temporary Permit Required*

11400. No person shall act as a registration service, engage in the business of soliciting or receiving any application for the registration, renewal of registration, or transfer of registration or ownership of any vehicle of a type subject to registration under this code, or transmit or present any of those documents to the department, if any compensation is solicited or received for the service, without a license or temporary permit issued by the department pursuant to this chapter, or if that license or temporary permit has expired or been canceled, suspended, or revoked, or the terms and conditions of an agreement entered into pursuant to Section 11408 have not been fulfilled.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

*Amended Sec. 4, Ch. 1155, Stats. 1996. Effective January 1, 1997.*

### *Application for License*

11401. An applicant for a license to be a registration service shall submit an application to the department upon the appropriate form for a license and a distinguishing number. The applicant shall also include with the application any information as to the applicant’s character, honesty, integrity, and reputation which the department requires. The application shall include, but not be limited to, all of the following:

- (a) The type of ownership, whether an individual, a partnership, or a corporation. If the applicant is a partnership, the names and titles of all partners, except limited partners, shall be furnished. If the applicant is a corporation, the names and titles of all controlling stockholders, directors, and officers who, by reason of the facts and circumstances, could direct, control, or manage the business of the registration service shall be furnished.

- (b) The name and address of the business, including street, city, and postal zip code of the principal place of business and any branch location.
- (c) A personal history statement and fingerprints from any person required to be identified in subdivision (a), containing the information the department requires.
- (d) The name, address, driver's license number, and a brief physical description of all persons employed or otherwise engaged by the registration service to perform registration work.
- (e) A bond executed by an admitted surety insurer, approved as to form by the Attorney General, to cover any loss to the public or the State of California arising out of the operation of the registration service.
- (f) A nonrefundable application fee, as specified in Section 11409.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

### *Bond*

11402. (a) The amount of the bond required by subdivision (e) of Section 11401 is five thousand dollars (\$5,000). Liability under the bond shall remain at that amount.

(b) If the amount of the liability under the bond is decreased, or there is outstanding a final court judgment arising out of a violation of any provision of this code for which the registration service is liable, the license of the registration service shall be automatically suspended. In order to reinstate the license, the registration service shall either file an additional bond or restore the bond on file to the original amount, or shall satisfy the outstanding judgment for which the registration service and surety are liable.

(c) The bond shall remain in effect for three years after cessation of business of the registration service.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

### *Service of Process*

11403. (a) A license to conduct a registration service, or a renewal of that license, shall not be issued to any applicant unless the applicant files with the department an instrument, in writing, in which the applicant appoints the director as the agent of the applicant upon whom all process may be served in any action which may be commenced against the applicant arising out of any claim for damages by any person by reason of the violation by the applicant of any provision of this code in connection with the registration service or any condition of the registration service's bond.

(b) The applicant shall agree in the instrument that any process directed to the applicant, when personal service of process upon the applicant cannot be made in this state after due diligence and, in that case, is served upon the director or, in the event of the director's absence from the office, upon any employee in charge of the office of the director, is of the same force and effect as if served upon the applicant personally.

(c) The applicant shall further agree, in writing, that the agency created by the instrument shall continue during the period covered by any license that may be issued and so long thereafter as the applicant may be required to answer in damages for a violation of this code in connection with the registration service or any condition of the bond.

(d) The instrument appointing the director as the agent for the applicant for service of process shall be acknowledged by the applicant before a notary public.

(e) If the registration service is served with process by service upon the director, one copy of the summons and complaint shall be left with the director or in the director's office in Sacramento or mailed to the office of the director in Sacramento. A fee of five dollars (\$5) shall also be paid to the director at the time of service of the copy of the summons and complaint.

(f) Service on the director is a sufficient service on the registration service if a notice of service and a copy of the summons and complaint are immediately sent by registered mail by the plaintiff or the plaintiff's attorney to the registration service. A copy of the summons and complaint shall also be mailed by the plaintiff or the plaintiff's attorney to the surety on the registration service's bond at the address of the surety given in the bond, postpaid and registered with request for return receipt.

- (g) The director shall keep a record of all process served on the director pursuant to this section, which shall show the day and hour of service, and shall retain the summons and complaint so served on file.
- (h) If the registration service is served with process by service upon the director, the registration service has 30 days from the date of that service within which to answer any complaint or other pleading which may be filed in the cause.
- (i) For purposes of venue, if the registration service is served with process by service upon the director, the service is deemed to have been made upon the registration service in the county in which the registration service has, or last had, its principal place of business.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

#### *Temporary Permit*

11404. (a) Until the department determines that the applicant meets all the requirements of this chapter, it may issue a temporary permit to the person applying for a license as a registration service.
- (b) The temporary permit shall permit the operation by the registration service or registration agent for not more than 120 days while the department is completing its investigation and determination of all facts relative to the qualifications of the applicant for the license. The department may cancel the temporary permit when it has determined that the application is incorrect or incomplete or that the temporary permit was issued in error.
- (c) The temporary permit is invalid when canceled or when the license has been issued or refused.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

#### *Refusal to Issue, Suspension, Revocation, or Cancellation of License*

11405. The department may refuse to issue a license to, or may suspend, revoke, or cancel the license of, a person to act as a registration service for any of the following reasons:

- (a) The person has been convicted of a felony or a crime involving moral turpitude which is substantially related to the qualifications, functions, or duties of the licensed activity.
- (b) The person is, or has been, the holder, or a managerial employee of the holder, of any occupational license issued by the department which has been suspended or revoked.
- (c) The applicant was previously the holder of an occupational license issued by another state, authorizing the same or similar activities of a license issued under this division; and that license was revoked or suspended for cause and was never reissued, or was suspended for cause, and the terms of suspension have not been fulfilled.
- (d) The person has used a false or fictitious name, knowingly made any false statement, or knowingly concealed any material fact, in the application for the license.<sup>1</sup>
- (e) The person has knowingly made, or acted with negligence or incompetence, or knowingly or negligently accepted or failed to inquire about any false, erroneous, or incorrect statement or information submitted to the registration service or the department in the course of the licensed activity.
- (f) The person has knowingly or negligently permitted fraud, or willfully engaged in fraudulent practices, with reference to clients, vehicle registrants, members of the public, or the department in the course of the licensed activity.
- (g) The person has knowingly or negligently committed or was responsible for any violation, cause for license refusal, or cause for discipline under Section 20 or Division 3 (commencing with Section 4000), Division 3.5 (commencing with Section 9840), Division 4 (commencing with Section 10500), or Division 5 (commencing with Section 11100), or any rules or regulations adopted under those provisions.
- (h) The person has failed to obtain and maintain an established place of business in California.
- (i) The person has failed to keep the business records required by Section 11406.
- (j) The person has violated any term or condition of a restricted license to act as a registration service.
- (k) The person has committed or was responsible for any other act, occurrence, or event in California or any

foreign jurisdiction which would be cause to refuse to issue a license to, or to suspend, revoke, or cancel the license of, a person to act as a registration service.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

*Amended Ch. 1243, Stats. 1992. Effective September 30, 1992.*

*Amended Sec. 5, Ch. 1155, Stats. 1996. Effective January 1, 1997.*

*Amended Sec. 46, Ch. 877, Stats. 1998. Effective January 1, 1999.*

#### *Business Records Required: Alternative: Duplication Document*

11406.(a) Every registration service shall keep business records containing all of the following information:

- (1) The name, address, and license number of the registration service and the name and address of every employee who performs registration work.
  - (2) The name and address of each client for whom registration work was performed.
  - (3) The identity of every vehicle by year, make, type, license number, and vehicle identification number on which registration work was performed.
  - (4) The amount of registration fees or payments collected for each vehicle on which registration work was performed, including the method of payment to the registration service.
  - (5) The amount of registration fees or payments submitted to the department for each vehicle on which registration work was performed, including the date and method of payment to the department.
  - (6) The amount of any refunds or additional charges on registration fees or payments collected for each vehicle on which registration work was performed, including the date and method of payment of the refund or additional charge by or to the client, the registration service, or the department.
  - (7) The name, signature, or initials of each employee performing work on each transaction and the date the work was done.
  - (8) The cost to each client for the registration work performed on each of the client's vehicles.
- (b) As an alternative to maintaining the records required by paragraphs (1) to (8), inclusive, of subdivision (a), a registration service may retain a copy of the listing sheet approved by the department for transmitting registration documents to the department.
- (c) Every registration service shall provide each customer with a document containing all of the information required by subdivision (a) relative to that customer's transaction, excluding paragraph (7) and excluding the addresses of employees and other customers' names and addresses. This requirement does not apply to transactions for customers of a dealer or dismantler.
- (d) Every registration service shall display prominently at its place of business a sign indicating that the service is not a branch of the department and shall inform each customer of that fact.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

*Amended Ch. 1243, Stats. 1992. Effective September 30, 1992.*

*Amended Sec. 8, Ch. 766, Stats. 1995. Effective January 1, 1996.*

#### *Incomplete Transaction: Return of Records*

11406.5. Whenever a customer fails to submit to a registration service any documents, compensation, or fees requested in writing by the registration service, the registration service shall return all documents pertaining to the incomplete transaction, including the department receipt evidencing any fees paid, within 60 days after the request was sent to the customer, to the last known address of the customer, by registered mail.

*Added Ch. 1243, Stats. 1992. Effective September 30, 1992.*

#### *Maintenance and Inspection of Business Records*

11407. The business records required by Section 11406 shall be maintained for at least four years and shall be open to inspection by the department during normal business hours.

The department may duplicate or make a record of any information contained in any of those records, which shall be for the official use of the department.

All records shall be returned to the licensee not later than 30 days after receipt of the records by the department.

*Added Ch. 1196*

#### *Issuance, Denial, Suspension, Revocation, or Cancellation of License*

11408. (a) The director may issue an order to grant an unrestricted or a restricted license to act as a registration service, or an order to deny, suspend, revoke, or cancel a license to act as a registration service.

(b) The order shall become final 30 days from issuance, unless the denied or restricted applicant or licensee files with the department a request for a hearing. Hearings shall be held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) Any registration service may be served with an accusation issued pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code by registered mail to the address of the principal place of business on file with the department, whether or not the business has been closed or terminated, unless the registration service has notified the department in writing of another address where service shall be made.

(d) The department may, pending a hearing, temporarily suspend the license issued to a registration service for not more than 30 days if the director finds that action is required in the public interest. In that case, a hearing shall be held and a decision issued within 30 days after the notice of the temporary suspension or cancellation.

(e) The director may, following the filing of a statement of issues or an accusation against an applicant or a registration service, with the consent of the applicant or licensee, enter into a compromise settlement agreement with a stipulated restriction or penalty whereby the applicant or licensee accepts the terms and conditions of the agreement without a hearing or appeal by any party thereto.

(1) The compromise settlement agreement may provide for a restricted license, special operating terms and conditions, a higher bond, a monetary penalty, or any other term or condition agreeable to the parties.

(2) The compromise settlement agreement shall be signed by the respondent applicant or licensee, the director, and the accuser, or their authorized representatives, and filed with the Office of Administrative Hearings, together with the department's notice of withdrawal of the statement of issues or the accusation upon which the action was initiated.

(3) A failure of the respondent applicant or licensee to carry out a compromise settlement agreement entered into under this section is a separate cause to refuse to issue, or to suspend, revoke, or cancel, any license authorizing the respondent to act as a registration service.

(f) Any person whose license to act as a registration service was suspended for cause and the terms of the suspension are unfulfilled, or whose license was revoked for cause, may reapply for a license to act as a registration service after not less than one year from the effective date of the suspension or revocation action.

(g) The issuance of a new license to that person is within the sole discretion of the department, and a hearing regarding that issuance shall be held only upon the consent of the director.

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

#### *Fees*

11409. The fee for a license issued to a registration service is as follows:

(a) For the original license, or an ownership change which requires a new application, one hundred fifty dollars (\$150), which is nonrefundable.

(b) For the annual renewal of a license, fifteen dollars (\$15).

- (c) For the alteration of an existing license required by a name change, address change, change in corporate officer structure, or the addition of a branch location, seventy dollars (\$70).

*Added Ch. 1196, Stats. 1990. Effective January 1, 1991. Operative July 1, 1991.*

#### *Term of License: Renewal*

11410. (a) Every license issued under this chapter is valid for a period of one year from the last day of the month of issuance. Except as provided in subdivision (c), renewal of the license for the ensuing year may be obtained by the person to whom the license was issued upon application to the department and payment of the fee required by Section 11409.

(b) Every application for the renewal of a license shall be made by the licensee not more than 90 days prior to the expiration date and shall be made by presenting the completed application form provided by the department and by payment of the renewal fee.

(c) If the application for renewal of the license is not made by midnight of the expiration date, the application may be made within 30 days following expiration of the license by paying the annual renewal fee and a penalty fee equal to the amount of the original application fee for each license held.

(d) A licensee may not renew the license after the expiration of the 30 day period specified in subdivision (c).

*Added Ch. 1196, Stats. 1990. Effective September 24, 1990. Operative July 1, 1991.*

#### *Ceasing Operations: Return of Records*

11411. If a registration service ceases operation for any reason, the owner of the service immediately shall notify the department and, upon demand by the department, shall deliver to the department the registration service license, all records kept pursuant to Section 11406, and all customer transactions then in his or her possession, including any fees or receipts for fees due to the department or to the customer.

*Added Ch. 1243, Stats. 1992. Effective September 30, 1992.*

#### *Filing of Accusation*

11413. The suspension, expiration, or cancellation of a registration service license provided for in this chapter shall not prevent the filing of an accusation for the revocation or suspension of the suspended, expired, or canceled license as provided in Section 11405 or 11408 or any related rules or regulations, and the department's decision that the license should be suspended or revoked. That determination may be considered in granting or refusing to grant any subsequent license authorized by this division to that licensee or to a business representative of that prior licensee.

*Added Sec. 47, Ch. 877, Stats. 1998. Effective January 1, 1999.*

#### **California Code of Regulations. Title 13, Chapter 1.**

##### **Government Code. Section 6157 (a) - (d).**

6157. (a) The state, and each city, whether general law or chartered, county, and district, each subdivision, department, board, commission, body, or agency of the foregoing, shall accept personal checks drawn in its favor or in favor of a designated official thereof, in payment for any license, permit, or fee, or in payment of any obligation owing to the public agency or trust deposit, if the person issuing the check furnishes to the person authorized to receive payment satisfactory proof of residence in this state and if the personal check is drawn on a banking institution located in this state.

(b) If any personal check offered in payment pursuant to this section is returned without payment, for any reason, a reasonable charge for the returned check, not to exceed the actual costs incurred by the public agency, may be imposed to recover the public agency's processing and collection costs. This charge may be added to, and become part of, any underlying obligation other than an obligation which constitutes a lien on real property, and a different method of payment for that payment and future payments by this person may be prescribed.

- (c) The acceptance of a personal check pursuant to this section constitutes payment of the obligation owed to the payee public agency to the extent of the amount of the check as of the date of acceptance when, but not before, the check is duly paid.
- (d) The provisions in subdivision (b) prohibiting a returned check charge being added to, and becoming a part of, an obligation which constitutes a lien on real property do not apply to obligations under the Veterans' Farm and Home Purchase Act of 1974 (Article 3.1 (commencing with Section 987.50) of Chapter 6 of Division 4 of the Military and Veterans Code).



GRAY DAVIS, *Governor*  
State of California

MARIA CONTRERAS-SWEET, *Secretary*  
Business, Transportation and Housing Agency

STEVEN GOURLEY, *Director*  
Department of Motor Vehicles

